

~~CONFIDENTIAL~~

1000
14 Nov
Insurance

12 November 1954

MEMORANDUM FOR THE RECORD

SUBJECT: Federal Life Insurance

25X1A9a

1. This afternoon [redacted], Security Office, Mr.

25X1A9a

[redacted] Insurance and Claims Branch, Office of Personnel, and I visited with Mr. Maurice S. Brown, Chief Actuary of the U. S. Civil Service Commission Retirement Division. The purpose of our visit was to explore with Mr. Brown the requirements of the Commission for reports from the Office of Federal Employees Group Life Insurance (OFEGLI) in New York on claims paid under the Federal Life Insurance Program.

25X1A9a

[redacted] and I had learned on Monday of this week from Mr. William McKinley of OFEGLI that name reports had been asked by the Commission.

2. Mr. Brown affirmed the fact that name reports have been asked of the New York Office. These reports list name, date of birth, date of death, domicile, agency, amount of insurance paid, amount of salary at time of claim and beneficiary to whom paid. Mr. Brown explained that the Commission feels it needs such reports for the purpose of monitoring the life insurance program and to serve as a check against fraudulent claims which might be introduced into the system. Further the Commission intends to check the beneficiary under any life insurance claim with the beneficiary under regular retirement system payments. The Commission intends to transpose such reports onto IBM cards from which can be produced endless statistics. The basic statistics will be in the form of an agency by agency breakdown showing the total claims paid and the aggregate dollar amount of those claims for each agency. However, Mr. Brown admitted that it was possible the Commission might be asked by a Congressman for a report on the benefits paid to residents of his state. The insurance contract between the Commission, representing the Federal Government and the various insurance companies, provides for an annual report but does not specify that it shall be a name report.

3. We explained in general terms to Mr. Brown the pitfalls which the Agency must avoid in the disclosure of any information which would identify Agency employees, particularly those in sensitive positions, or any other statistics from which could be deduced Agency strength or disposition. Mr. Brown readily agreed with the need for close handling of such matters and when we were asked we gave the opinion that the only satisfactory solution to the name reporting requirement would be that no reports be made by the office in New York to the Commission. We expressed the further opinion that any claim involving CIA personnel or personnel of installations in which we are interested should not be thrown into the normal claim number series but that a separate numbering system should be

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

provided for such claims. We expressed the opinion that if Mr. McKinley can process such claims personally (which he offered to do to [redacted] and me on 8 November 1954) and could hold such claim papers in a separate and secure area that the major security objections of the Agency could be overcome.

25X1A9a

4. We then discussed with Mr. Brown how he expects to reconcile and check the annual report from the Office of Federal Life Insurance. He explained that at this point his IBM cards would come into play and with time he expects to be able to check out entirely any annual report furnished the Commission by the New York Office. The absence of any name reports involving CIA personnel would necessarily leave a blank in Mr. Brown's reconciliation. In discussing a remedy for this, the suggestion was made that CIA might receive the name reports from the New York Office, if necessary through a cut-out. At the time of reconciliation CIA could verify for Mr. Brown that x number of claims had been paid a total dollar amount.

5. We concluded the conference by Mr. Brown's promise to discuss our problem immediately with Mr. Warren Irons, Chief of the Bureau of Departmental Operations, and our promise to consider the advisability of our receiving name reports from Mr. McKinley for purposes of reconciliation. Mr. Brown also agreed to contact Mr. McKinley and instruct him to establish a separate numbering system for claims in which our Agency has an interest. The two claims hand-carried to Mr. McKinley on 8 November are to be withdrawn from the regular numbering system, placed in the separate system and two other non-CIA claims are to be assigned to the regular numbers vacated by our claims.

25X1A9a

(S/
[redacted]
Executive Officer
Office of Personnel

~~CONFIDENTIAL~~